



Executive Overview

EXECUTIVE OVERVIEW

I. INTRODUCTION

A capital improvement or capital project is defined as the purchase or improvement of a City asset, including construction or rehabilitation which provides an asset for the City's use or, in the case of an existing asset, increases the value of the public asset or extends its useful life. Capital improvements are made to improve the value of City assets, and are relatively large expenditure items compared with operating budget items. A capital improvement is expected to have a useful life of at least five years, compared to operating budget items which are consumed in the daily delivery of City services.

The nature of a capital improvement lends itself to long-term planning and a combination of financing mechanisms. In Cincinnati, General Capital improvements are primarily funded by property tax-supported bond proceeds, earmarked income tax receipts, and Southern Railway note proceeds. The necessary lead time involved in engineering a project, acquiring and clearing sites, or in securing State or federal funds may require the funding of project phases over several years. Enterprise and Special Revenue capital projects are generally funded by user fees to operate and maintain facilities, such as the Water Works system.

A six-year Capital Investment Program (CIP) is a plan for capital investment in Cincinnati's future through improving City streets, bridges, recreation facilities, parks, health facilities and buildings, all of which enhance the delivery of services and the quality of life in Cincinnati. The 2003-2008 CIP coordinates the financing and timing of improvements to maximize the value to the public.

This Capital Budget process began with City departments making requests for capital projects. These requests include ongoing projects, improvements to existing assets, previously funded phased projects, and new projects. City residents, in consultation with Cincinnati Neighborhood Action Strategy (CNAS) Teams, have had the opportunity to make requests of City departments to include neighborhood proposed or endorsed capital projects in their budget requests. Each neighborhood could submit up to five Community Priority Requests (CPR's) for the 2003/2004 biennium.

All department capital project requests were reviewed by the Capital Committee, which is a peer group of department directors chaired by an Assistant City Manager. The City Manager reviewed the recommendations of the Capital Committee and, in turn, developed the Capital Budget recommendations which were submitted to the Mayor. After reviewing and modifying the City Manager's recommended Capital Budget, the Mayor presented his recommended Capital Budget to the City Council on December 5, 2002. The City Council approved the 2003/2004 Biennial Capital Budget on December 18, 2002.

In addition to other review considerations, the Capital Committee used the criteria listed below in developing the Capital Budget. The criteria in descending priority sequence are as follows:

1. Hazard Elimination: to eliminate or reduce definite and immediate health and safety hazards;
2. Legal Mandates: to comply with a court order or other specific legal directive (consent decree, etc.);
3. Regulatory Compliance: self-initiated improvement in compliance with a federal, state, or local rule or regulation affecting capital assets;
4. Project Completion: to finish phased projects with related and already committed or expended funding;
5. Prevent Failure: to systematically, according to schedule, improve assets which if not periodically improved would fail;
6. Extend Useful Life: to improve an asset by making a capital investment to increase the asset's service life;
7. Cost-Benefit Justified: to make a capital investment which is supported by benefits equal to or greater than the cost of investment (e.g., benefits may be in jobs, revenue, cost savings, matching funds, etc.); and
8. Service Betterment: to accommodate growth in service demand, or to otherwise increase the quality of service provided by the capital asset.

The table (Exhibit 2) on page 10 lists the General Capital Budget resource and expenditure categories with the totals for each category for the 2003-2008 six-year plan. An analysis of available resources begins on page 11, while an analysis of expenditures begins on page 16.

2003-2008 General Capital Investment Program

Exhibit 2

General Capital	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	2003-2008 <u>Total</u>
PROGRAM RESOURCES								
City Income Tax	\$18,559,910	\$18,139,000	\$18,865,362	\$19,694,803	\$20,640,297	\$21,692,745	\$22,734,174	\$121,766,381
Property Tax-Supported Bonds	\$27,700,000	\$43,000,000	\$36,500,000	\$21,500,000	\$21,500,000	\$21,500,000	\$21,500,000	\$165,500,000
Property Proceeds	\$1,400,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,200,000
Southern Railway Note Proceeds	\$16,170,000	\$15,568,428	\$15,911,638	\$15,464,632	\$15,818,703	\$16,182,155	\$16,552,626	\$95,498,182
Tax Increment Supported Bonds	\$17,696,000	\$0	\$4,600,000	\$0	\$0	\$0	\$0	\$4,600,000
General Fund Transfer	\$6,302,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anthem Demutualization Proceeds	\$0	\$31,500,000	\$21,500,000	\$0	\$0	\$0	\$0	\$53,000,000
Reprogramming	\$2,873,400	\$2,067,397	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$4,567,397
Less: Debt Service	<u>(\$12,341,620)</u>	<u>(\$4,418,000)</u>	<u>(\$8,570,000)</u>	<u>(\$4,115,435)</u>	<u>(\$2,443,000)</u>	<u>(\$2,349,900)</u>	<u>(\$2,256,800)</u>	<u>(\$24,153,135)</u>
TOTAL RESOURCES:	\$78,360,300	\$106,056,825	\$89,507,000	\$53,244,000	\$56,216,000	\$57,725,000	\$59,230,000	\$421,978,825
PROGRAM EXPENSE								
Debt Service Payments	\$3,898,700	\$2,028,100	\$2,047,600	\$2,832,000	\$2,822,000	\$2,809,500	\$2,797,000	\$15,336,200
Economic Development	\$21,982,700	\$7,380,900	\$11,150,000	\$4,350,000	\$4,350,000	\$3,975,000	\$4,150,000	\$35,355,900
Environment	\$330,000	\$205,000	\$328,000	\$401,000	\$325,000	\$278,200	\$285,200	\$1,822,400
Equipment	\$12,242,000	\$19,079,100	\$10,770,100	\$7,776,600	\$8,248,100	\$11,412,000	\$11,438,900	\$68,724,800
Housing & Neighborhood Development	\$5,358,000	\$28,058,000	\$18,493,000	\$4,225,000	\$4,574,000	\$4,060,500	\$4,062,000	\$63,472,500
Infrastructure (Smale)	\$33,848,900	\$39,130,725	\$39,940,800	\$36,234,400	\$39,021,900	\$38,314,800	\$37,336,600	\$229,979,225
New Infrastructure	<u>\$700,000</u>	<u>\$10,175,000</u>	<u>\$6,777,500</u>	<u>\$925,000</u>	<u>\$375,000</u>	<u>\$375,000</u>	<u>\$175,000</u>	<u>\$18,802,500</u>
TOTAL EXPENSES:	\$78,360,300	\$106,056,825	\$89,507,000	\$56,744,000	\$59,716,000	\$61,225,000	\$60,244,700	\$433,493,525
AVAILABLE BALANCE:	\$0	\$0	\$0	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	(\$1,014,700)	(\$11,514,700)

II. ANALYSIS OF AVAILABLE RESOURCES (See Exhibit 3, Page 15)

GENERAL CAPITAL RESOURCES

The total 2003-2008 General Capital Investment Program forecasts \$422.0 million in available resources over six-years (see Exhibit 2, page 10). For the six-year period, resources are approximately \$11.5 million less than the planned projects amount of \$433.5 million. Estimated resources for 2003 are \$106.1 million and are \$89.5 million for 2004, which match the approved projects amounts for 2003 and 2004. Balancing the 2005-2008 budgets will require additional budget cuts to capital projects or an increase in resources from other sources. What follows in this section is a description of each resource category for the General Capital Budget.

City Income Tax

The City Income Tax is a locally levied tax applied to gross salaries, wages, and other personal compensation, and net profits earned by all City residents and to earnings of nonresidents working in the City limits. The City's income tax of 2.1% is subdivided into four components: general operations (1.55%), transit (0.3%), infrastructure (0.1%), and capital (0.15%). The 0.1% infrastructure portion of the 2.1% City Income Tax, along with the local motor vehicle license tax and gasoline tax, is dedicated to infrastructure spending, but is not included as a capital resource. These resources go into special revenue funds, which are used in the operating budget for the maintenance and repair of infrastructure, but this can also be used for infrastructure capital in accordance with each resource's definition of eligibility per statute or ordinance. These resources were presented for the City Council's review in the biennial Operating Budget.

As shown in Exhibit 2, City Income Tax resources for 2003 are \$18.1 million and for 2004 are \$18.9 million. The 2003-2008 total City Income Tax resource dedicated to the General Capital Budget is \$121.8 million. The City Income Tax resource amounts for 2003, 2004, and for the six-year plan, include \$4.4 million in 2003, \$8.6 million in 2004, and \$24.2 million for the six-year plan for debt service payments. The debt service payment amounts are outlined under the "Less: Debt Service" line of Exhibit 2.

Property Tax Supported Bonds

The assessed valuation of property within the City subject to ad valorem taxes includes real property, public utilities property, and tangible personal property. In accordance with State law, some general obligation debt may be issued without a vote of the public. The debt cannot be issued unless there are sufficient tax proceeds for the payment of the debt service on the bonds. The estimate for Property Tax Supported Bonds (unvoted bonds) in Exhibit 2 reflects continuance of the City Council policy to maintain a constant property tax millage of 5.36 mills for debt service requirements. This City Council policy

establishes the parameters for how much capital financing resources will be available from the issuance of debt. The City is well within the unvoted statutory debt limitation of 5 ½% of assessed value in the City.

As shown in Exhibit 2, Property Tax Supported Bonds for 2003 are \$43.0 million and for 2004 are \$36.5 million. The 2003-2008 total Tax Supported Bonds resource is \$165.5 million. From 2005-2008 the estimated annual amount available is \$21.5 million. The relatively high amounts of Tax-Supported Bonds in 2003-2004 has the affect of reducing bond capacity in years 2005 through 2008.

The Property Tax Supported Bonds portion of the general capital resources continues Cincinnati's long-standing policy of no increase in taxes for debt service and replacement of debt service on maturing debt with new debt service requirements. This general policy has enabled the City to institute debt management policies which enhance credit-worthiness. Approximately 77% of the City's current outstanding general obligation property tax and self-supported debt of \$422.0 million will be retired by December 31, 2013. Credit quality and affordability issues, used by bond rating agencies to determine the City's bond rating, continue to be positive indicators for the City. The per capita debt of \$1,275 and debt outstanding of 2.6% of market value of taxable property are two examples.

Although the City currently utilizes general obligation bonded debt for self-supporting bond issues (such as water works, parking system, and recreational facilities), self-supporting revenue sources have been, and are expected to be, sufficient to pay principal and interest requirements on all self-supporting debt. Beginning in 2000, the City Council approved a policy to use revenue bonds to support future Water Works capital projects. Water Works revenue bonds will support projects in the amount of \$31.6 million in 2003 and \$32.0 million in 2004.

The City also issues bonds with debt service to be paid by a portion of the 0.15% income tax earmarked for capital purposes. This strategy has been utilized by the City Council to leverage funds for special projects such as to take advantage of emerging development opportunities. The City uses this strategy sparingly, in order to have funds available for pay-as-you go (cash) projects.

Property Proceeds

The Property Proceeds resource includes proceeds from the sale of property and temporary rents from development sites. The City Council by resolution requires 50% of net rental income and tax increment payments from Fountain Square South and Hyatt/Saks for the development of market rate housing.

As shown in Exhibit 2, the Property Proceeds are \$200,000 each year in 2003 and 2004. The 2003-2008 total Property Proceeds resource is \$1.2 million. The amount of property

proceeds available for use as a capital budget resource has been reduced due to the loss of rental revenue from the demolition of the Parkade Garage.

Southern Railway Note Proceeds

Cincinnati owns the Cincinnati Southern Railway and leases its use. In 1987, the City renegotiated the terms of the lease for more favorable annual income. The City Council endorsed a policy by resolution to dedicate funds generated by the Southern Railway to infrastructure projects. The notes issued and interest income provide a resource for infrastructure projects.

As shown in Exhibit 2, the Southern Railway Note Proceeds resource for 2003 is \$15.6 million and \$15.9 million in 2004. The 2003-2008 total Southern Railway Note Proceeds resource is \$95.5 million.

Tax Increment Supported Bonds

Tax increment payments in lieu of taxes for downtown property improvements, in accordance with City Council policy, are used for public improvements in the Central Business District (CBD) urban renewal area. As shown in Exhibit 2, Tax Increment Supported Bonds total \$4.6 million in 2004. Although not included in this budget, approximately \$8.8 million can be supported by downtown tax increment financing payments for future downtown development as projects materialize.

General Fund Resources

The 2003/2004 Biennial General Capital Budget and 2003-2008 Capital Investment Program does not include the transfer of resources from the General Fund to support capital projects. The 2001 and 2002 appropriated General Capital Budget included \$19.8 million (\$13.5 million in 2001 and \$6.3 million in 2002) in General Fund transfers to support capital project expenditures. In order to balance the 2003/2004 Biennial Operating Budget, transfers from the General Fund for capital purposes are not included.

Anthem Demutualization Proceeds

The General Capital Budget includes resources realized from the Anthem demutualization process. When Anthem transitioned from a mutual insurance company to a stock company, the City received shares which had been sold. The proceeds from the sale and investment earnings total \$55 million. City Council policy provides that the proceeds be used for the Neighborhood Investment Program. For the 2003/2004 Biennial General Capital Budget, a total of \$53.0 million (\$31.5 million in 2003 and \$21.5 million in 2004) is included to fund neighborhood development projects. A total of \$2.0 million

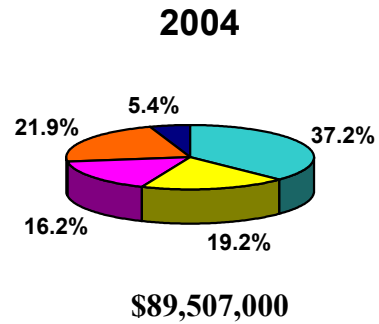
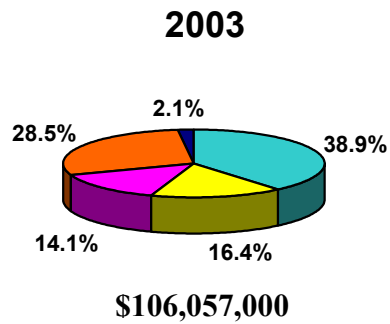
(\$1.0 million in both 2003 and 2004) is included in the 2003-2004 Operating Budget as a match for community-led initiatives to improve safety in neighborhoods.

Reprogramming Resources

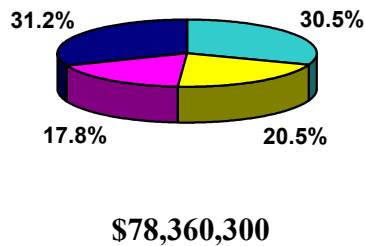
Reprogramming resources are unused funds recaptured from projects which are completed. The remaining balances are available and recommended for use in new projects. As shown in Exhibit 2, the 2003 resource is \$2.1 million and the 2004 resource is \$500,000. The 2003-2008 Reprogramming Resources total \$4.6 million.

City of Cincinnati
2002 - 2004 General Capital Investment Program
Total Program Resources

Exhibit 3



2002



■ Tax Supported Bonds	■ Income Tax
■ Southern Railway Notes	■ Anthem Proceeds
■ Other Financing	

III. ANALYSIS OF EXPENDITURES

GENERAL CAPITAL FUND EXPENDITURES

Planned General Capital projects for the 2003-2008 Capital Investment Program total \$433.5 million, which is \$11.5 million more than the total estimated resources for 2003-2008 of \$422.0 million. For the 2003/2004 General Capital Budget, approved projects total \$195.6 million (\$106.1 million in 2003 and \$89.5 million in 2004) which is balanced to resources.

The Projects by Expenditure Categories include: Debt Service Payments, Economic Development, Environment, Equipment, Housing and Neighborhood Development, Infrastructure (Smale Commission), and New Infrastructure. The Debt Service Payments category was added in 2002 to account for the projects established to retire the City's State Infrastructure Bank (SIB) loans for the Fort Washington Way Reconstruction project. The source for the Debt Service Payments is Southern Railway proceeds. The New Infrastructure category was added for the 1997/1998 biennial budget to distinguish new capital improvements from Infrastructure (Smale Commission) projects, which provide for the renovation or replacement of existing City assets.

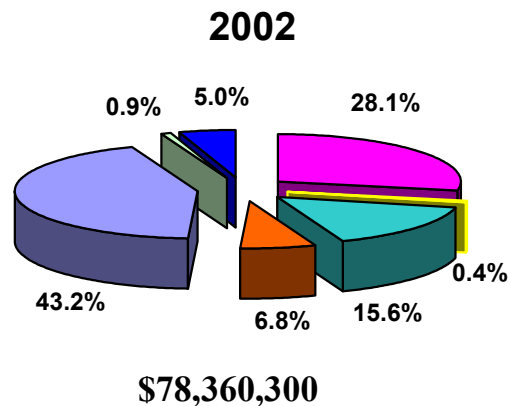
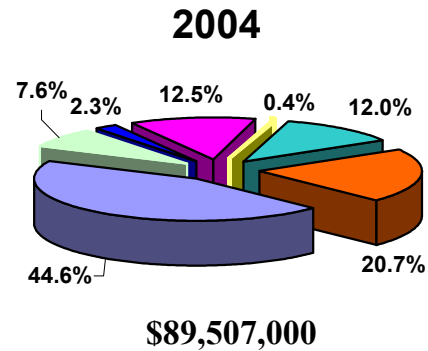
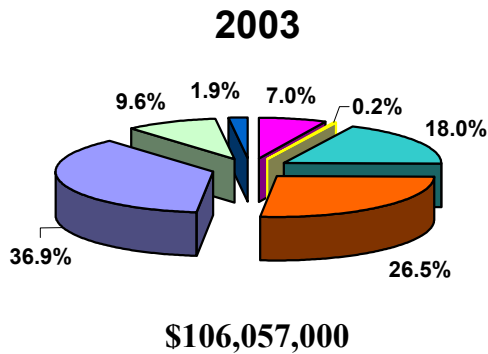
The pie chart (Exhibit 4) on page 17, provides a percentage breakout of the seven major expenditure categories for 2002, 2003 and 2004. An analysis of the project expenditures by expenditure category begins on page 18.

City of Cincinnati

2002 - 2004 General Capital Investment Program

Exhibit 4

Approved Expenditures



■ Economic Development	■ Environment
■ Equipment	■ Housing & Neighborhood Dev.
■ Infrastructure - Small	■ New Infrastructure
■ Debt Service	

Debt Service Payments

A total of \$4.0 million is included in the biennium (\$2.0 million in both 2003 and 2004) for Debt Service Payments projects. The 2003-2008 six-year plan total is \$15.3 million. This category represents 2.1% of the total General Capital Budget biennium amount and 3.5% of the six-year Capital Investment Program.

A total of \$1.9 million is included in the 2003/2004 biennium (\$967,100 in 2003 and \$954,600 in 2004) and \$8.8 million is included for the six-year plan for the two State Infrastructure Bank (SIB) Loan Debt Service projects. These two projects retire the general obligation debt and the loan from the State Infrastructure Bank for the Fort Washington Way Reconstruction project. The amount of \$1.0 million is included each year from 2003 through 2008 for the Convention Center Expansion project. This is a part of the City's commitment for the \$160.0 million Convention Center expansion which will be funded from City, County, and private sources. The \$1.0 million commitment is for thirty years. An amount of \$154,000 (\$61,000 in 2003 and \$93,000 in 2004) is included for State Capital Improvement Program (SCIP) loan repayments for street rehabilitation and street improvement projects. For the six-year plan, the SCIP Loan Repayment project totals \$526,000.

Economic Development

The amount of \$18.5 million is included in the biennium (\$7.4 million in 2003 and \$11.1 million in 2004) for Economic Development projects. A total of \$35.4 million is included over the six-year plan. Of these biennial and six-year total funding amounts, \$4.2 million in both 2003 and 2004 is from Anthem demutualization proceeds. This category represents 9.4% of the total General Capital Biennial Budget and 8.2% of the six-year Capital Investment Program.

A total of \$1.6 million is included in the 2003/2004 biennium (\$1.1 million in 2003 and \$500,000 in 2004) and \$11.6 million for the six-year plan is included for Neighborhood Business District (NBD) Improvements projects. These projects include the NBD Public Improvements project (\$50,000 in 2003, \$500,000 in 2004 and \$6.6 million for the six-year plan) and the Small Business Public Improvements project (\$4.0 million for 2005 through 2008).

The 2003 General Capital Budget recommendation of \$1.1 million provides funding to complete the final phases of the College Hill Streetscape project (\$512,300), the Hyde Park Square Streetscape project (\$309,700), and the North Avondale Streetscape project (\$258,900).

A total of \$2.0 million (\$1.0 million in both 2003 and 2004) is included in the Biennial Consolidated Plan Budget, which brings the total NBD Improvements budget to \$3.6 million in the biennium (\$2.1million in 2003 and \$1.5 million in 2004) and \$13.6 million over the 2003-2008 six-year plan.

The table below summarizes the total approved Neighborhood Business District (NBD) Improvements budget, including the Consolidated Plan Budget.

Project	2003	2004	2005	2006	2007	2008	Total
NBD Public Improvements	50,000	500,000	1,500,000	1,500,000	1,500,000	1,500,000	6,550,000
Small Business Public Improvements	0	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
NBD College Hill Streetscape	512,300	0	0	0	0	0	512,300
NBD Hyde Park Square Streetscape	309,700	0	0	0	0	0	309,700
NBD North Avondale Streetscape	<u>258,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>258,900</u>
General Capital Budget Sub-total:	\$1,130,900	\$500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$11,630,900
NBD Improvements - Consolidated Plan	\$1,000,000	\$1,000,000					\$2,000,000
Total NBD Public Improvements:	\$2,130,900	\$1,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$13,630,900

A total of \$4.0 million from Anthem demutualization proceeds (\$2.0 million in both 2003 and 2004) is included for the Over-the-Rhine Plan Implementation project. This project involves the implementation of the Over-the-Rhine Plan and includes housing, economic development and infrastructure investment in the Over-the-Rhine neighborhood. The 2003/2004 Biennial General Capital Budget also includes \$4.4 million, \$2.2 million in each year of the biennium, for the Capital Arts Project. This project provides funding from Anthem demutualization proceeds to support capital improvements for arts related facilities downtown and in City neighborhoods. An additional \$700,000 is included for both 2003 and 2004 for the Community Facilities Improvements project (see the Small Infrastructure section of this overview beginning on page 24), bringing the total commitment for arts related facility improvements to \$5.8 million for the biennium (\$2.9 million in both 2003 and 2004).

The Retail/Commercial Opportunities program is included for \$2.0 million in the biennium (\$1.0 million in both 2003 and 2004) and \$5.4 million over the six-year plan. This program provides funding for attracting and retaining downtown retail and commercial businesses.

The 2003/2004 Biennial General Capital Budget includes \$4.6 million for major Downtown Retail Development. The Fifth and Race Redevelopment project is included in 2004 for \$3.0 million and \$1.6 million is also included in 2004 for the Hawthorne Suites project. All of the retail development projects will be funded from Tax Increment Financing supported bonds.

Included within the Economic Development category is \$1.0 million in the biennium (\$500,000 in 2003 and \$500,000 in 2004) and \$3.0 million over the six-year plan for the Industrial Cluster Public Improvements program. This program provides funding for planning and infrastructure improvements to facilitate the retention, expansion and attraction of businesses within industrial areas of the City. A total of \$400,000 for the 2003/2004 biennium (\$200,000 in both 2003 and 2004) is included for the Enterprise Zone Administration and Public Improvements project. This project provides funding for

the administration of the City's Enterprise Zone Program and for public improvements required for business expansion, renovation, and relocation within an enterprise zone.

The Economic Development category also includes two Department of Transportation and Engineering projects that support neighborhood development. A total of \$350,000 is included in the biennium (\$200,000 in 2003 and \$150,000 in 2004) for the Neighborhood Transportation Strategies project. This project provides funding for the support of neighborhood transportation strategies in conjunction with land use development opportunities. The Taft McMillian Corridor Analysis project, with \$150,000 included in 2003, provides the necessary funding to analyze the economic, traffic, and parking impact of converting Taft Road and McMillian Street into two-way streets.

Environment

The amount of \$533,000 (\$205,000 in 2003 and \$328,000 in 2004) is included for environmental projects in the biennium. A total of \$1.8 million is included for the six-year plan. This category represents 0.3% of the total Biennial General Capital Budget and 0.4% of the six-year Capital Investment Program.

Environmental projects for the biennium include the Center Hill Gas and Leachate project for \$300,000 in the biennium (\$150,000 in both 2003 and 2004) and \$980,000 over the six-year plan. This project would continue the operation of the methane gas and leachate collection systems in order to comply with State and Federal solid waste regulations. The Environmental Management System and Regulatory Compliance project (\$55,000 in 2003, \$43,000 in 2004, and \$269,000 for the six-year plan) provides funding that would allow the City to respond to regulatory compliance issues that require immediate attention. A total of \$30,000 in 2004 and \$230,200 for the six-year plan is included for the Emergency Environmental Cleanup project. Funds for this project provide the City with the ability to immediately respond to severe emergency clean-up situations where the public health is at risk.

A total of \$20,000 in 2004 and \$173,200 over the 2003-2008 six-year plan is included for the Underground Storage Tanks project. This project funds the removal of underground storage tanks from City-owned sites. The Woodburn Remediation project (\$85,000 in both 2004 and 2005) provides funds for the environmental remediation of the former SORTA bus garage site on Woodburn Avenue.

Funding for the Title X Enhancements/Implementation project, which provided funding for the City's Air Quality Program in previous capital budgets, is not included in the 2003-2008 Capital Investment Program. The air quality monitoring function was eliminated in the 2003 operating budget. The air monitoring function will continue as a countywide function.

Equipment

A total of \$29.9 million (\$19.1 million in 2003 and \$10.8 million in 2004) is included for equipment and technology in the biennium. A total of \$68.7 million is included for the six-year Capital Investment Program. This category represents 15.3% of the total Biennial General Capital Budget and 15.8% of the six-year Capital Investment Program.

The acquisition of up-to-date technology provides the tools necessary for City employees to function more efficiently and provide better service to citizens. The 2003/2004 Biennial General Capital Budget includes \$5.2 million for information system projects (\$3.4 million in 2003 and \$1.8 million in 2004). The six-year total for information system projects is \$10.2 million. The Cable Communications Fund (424) also includes approximately \$3.0 million of information system projects for the 2003/2004 biennium. These projects are discussed in detail beginning on page 30 of this overview.

Information systems projects for the 2003/2004 Biennial General Capital Budget include the AMS-CFS Procurement Software Upgrade project, the Police Risk Management Systems project, the Contact Service Request Management project, the Computer Aided Dispatch Replacement project, the Information Systems Acquisition project, and the Department of Transportation and Engineering's Project Management project as outlined below:

- The AMS-CFS Procurement Software Upgrade project is included for \$200,000 in 2004 and \$150,000 in 2005. This project upgrades the existing extended purchasing module of the Cincinnati Financial System.
- The Police Risk Management Systems project (\$2.5 million in 2003) provides funding to improve the Police Department's tracking systems for officer activities and Community Problem Oriented Policing (CPOP).
- The Contact Service Request Management project (\$500,000 in 2003, 2004, and 2005) provides the City with the ability to capture, route, track and manage customer complaints in all City departments from either a central point or distributed points of intake.
- The Police Department's Computer Aided Dispatch Replacement project is included for \$190,000 in 2003, \$916,000 in 2004, and \$2.4 million for the six-year plan. This project provides for the complete replacement of the Computer Aided Dispatch (CAD) System, which is the primary component of the 911 system.
- In order to improve data collection and departmental communications, a total of \$279,300 is included in the biennium (\$129,300 in 2003 and \$150,000 in 2004) and \$879,300 over the six-year plan for the Department of Transportation and Engineering's Information Systems Acquisition project.

- The Department of Transportation and Engineering's Project Management project (\$50,000 in both 2003 and 2004) supports the selection and development of technologies to promote collaborative project management activities.

Projects involving the purchase or upgrade of equipment total \$15.7 million in 2003, \$9.0 million in 2004 and \$58.5 million over the six-year plan. Equipment projects within the 2003/2004 biennium include:

- The Fire Department's Self Contained Breathing Apparatus project (\$870,000 in 2003)
- The Air Compressor/Qualitative Tester project (\$85,000 in 2003)
- The Hydraulic Rescue Tools project (\$60,000 in 2003)
- The Audio Visual Training Aids project (\$20,000 in 2003)
- The Thermal Image Cameras project (\$110,000 in 2003). The Thermal Image Cameras project provides funding for the purchase of eight cameras in 2003. Additional cameras would be purchased with donations, grants and foundation support.
- A total of \$11.1 million in the biennium (\$8.4 million in 2003 and \$2.7 million in 2004) is included for the Citywide Communication System project, which provides funding for a new public safety 800 megahertz radio communication system. This \$11.1 million allocation would complete the City's \$27.3 million commitment to this project.
- Included within the Equipment category is \$12.1 million in the biennium (\$6.0 million in 2003 and \$6.1 million in 2004) and \$44.2 million over the six-year plan for Fleet Replacements. This project provides funds for replacing and upgrading the City's motorized fleet.
- A total of \$300,000 (\$150,000 in both 2003 and 2004) and \$900,000 for the 2003-2008 six-year plan is included for the Department of Public Services Trash Receptacles project. This project provides new trash receptacles in Neighborhood Business Districts (NBD's) and the Central Business District (CBD).

Housing and Neighborhood Development

The amount of \$46.6 million (\$28.1 million in 2003 and \$18.5 million in 2004) is included for Housing and Neighborhood Development projects in the biennium. A total of \$63.5 million is included for the six-year Capital Investment Program. Of these biennial and six-year total funding amounts, \$44.3 million (\$27.0 million in 2003 and \$17.3 million in 2004) is from Anthem demutualization proceeds. This category

represents 23.8% of the total Biennial General Capital Budget and 14.6% of the six-year Capital Investment Program. In the Consolidated Plan Budget, the total biennial housing component amount is \$28.2 million, with \$14.6 million in 2003 and \$13.6 million in 2004. The total 2003/2004 budget amount for housing is \$51.3 million (Capital and Consolidated Plan Budgets). With the Special Housing Permanent Improvement Fund (SHPIF) biennial allocation of \$3.0 million and the \$1.0 million for the Laurel Homes Public Improvements project, the total biennial housing budget is \$55.3 million.

A total of \$1.0 million is included in 2003 for the Laurel Homes Public Improvements project. This project involves the construction of a landscaped island, and the renovation of green space and recreational areas as part of the Laurel Homes project in conjunction with the Cincinnati Metropolitan Housing Authority (CMHA). This project allocation would complete the City's commitment to the Laurel Homes project.

A total of \$22.3 million (\$8.5 million in 2003 and \$13.8 million in 2004) is included for the Neighborhood Investment Reserve project. This project provides funding for a variety of neighborhood development initiatives including, but not limited to, housing, economic development and infrastructure improvements. Funding for this reserve is from Anthem demutualization proceeds. This reserve will be allocated to neighborhood projects on a competitive basis which will have a focused and substantial impact on neighborhoods. A total of \$121,000 for the biennium (\$58,000 in 2003 and \$63,000 in 2004) and \$392,500 for the six-year plan is included for the Department of Buildings and Inspections Hazard Abatement Program. This program removes unsafe, public nuisance buildings and provides for other emergency abatement activities. An amount of \$1,023,250 in the biennium (\$508,280 in 2003 and \$514,970 in 2004) is included for this project in the Consolidated Plan Budget. The total All Funds amount for Hazard Abatement in the biennium is \$1.1 million.

An amount of \$4.0 million is included for the biennium (\$1.5 million in 2003 and \$2.5 million in 2004) for the Neighborhood Market Rate Housing program. For the six-year plan, the total is \$14.0 million. Funding for the Neighborhood Market Rate Housing program would assist developers with site acquisition, infrastructure development, and direct assistance for the rehabilitation of existing market rate units or the construction of new market rate units. For the biennium, \$3.0 million of the \$4.0 million for this project will come from Anthem demutualization funds. The Citirama project (\$1.0 million in both 2003 and 2004) and \$4.0 million over the six-year plan, provides funds for site and public improvements for new market rate housing development at future Citirama sites. Funding for the Citirama project in 2003 and 2004 of \$2.0 million will come from Anthem demutualization proceeds. A total of \$500,000 in both 2003 and 2004 is included for the Downtown Housing Development project. The six-year total for this project is \$3.7 million. This project supports downtown housing development. Funding for the biennial total of \$1.0 million will come from Anthem demutualization proceeds. A total of \$130,000 is included in 2004 for the HOME Match project to meet the mandated match requirement for the HOME federal housing program. For the 2003-2008 six-year plan, the total HOME Match project allocation is \$2.1 million. A total of \$1.0 million (\$500,000 in both 2003 and 2004) is included for the Mixed Income Capital

Redevelopment project. This project establishes a reserve for potential mixed income redevelopment projects.

Infrastructure (Smale Commission)

The amount of \$79.0 million (\$39.1million in 2003 and \$39.9 million in 2004) is included for Infrastructure (Smale Commission) projects in the 2003/2004 biennium. A total of \$230.0 million is included for the six-year Capital Investment Program. This category represents 40.4% of the total Biennial General Capital Budget and 53.1% of the six-year Capital Investment Program.

The appropriated amounts required in the General Capital and Operating Budgets to retain the 0.1% income tax dedicated to infrastructure maintenance and improvements is estimated to be \$60.1 million in 2003 and \$61.3 million in 2004. For 2003, the Capital Budget portion of the requirement is \$39.1 million and for 2004 the amount is \$39.9 million. The 2003 and 2004 Operating Budget amounts are \$34.7 million and \$35.7 million, respectively. The total 2003 Capital and Operating amount is \$73.8 million and the 2004 Capital and Operating amount is \$75.6 million. For 2003, 122.8% of the requirement is met, with 123.3% of the requirement met for 2004. This level of coverage is included as a safeguard against potential delays in some capital project implementation caused by weather, the property acquisition process, or other unforeseen causes. Outlined below are some of the significant project allocations in the Infrastructure (Smale Commission) category.

A total of \$28.3 million is included for the biennium (\$15.7 million in 2003 and \$12.6 million in 2004) for the Street Rehabilitation Program. The six-year plan total is \$90.5 million. The allocations for the Street Rehabilitation Program will provide at least 200 lane miles of street rehabilitation over the 2003/2004 biennium and 600 lane miles over the 2003-2008 six-year plan.

Street and road improvement projects and programs, including the Street Rehabilitation Program, total \$37.0 million for the biennium (\$21.9 million in 2003 and \$15.1 million in 2004). For the six-year plan, the amount is \$117.4 million. It should be noted that after 2003, the 2003-2008 Capital Investment Program does not include any funding for Community Street Improvements project. The 2003-2008 Capital Investment Program does not include funding for the Neighborhood Street Calming Program due to operating budget reductions which would have supported project implementation. The following table outlines the major street and road improvement project and program allocations for the biennium:

	<u>2003</u>	<u>2004</u>
Street Rehabilitation	\$15,692,900	\$12,565,900
Street Improvements	\$ 1,000,000	\$ 900,000
Community Street Improvements	\$ 1,000,000	\$ -0-

	<u>2003</u>	<u>2004</u>
Waldvogel Viaduct Replacement	\$ 560,000	\$ -0-
Safety Improvements	\$ 100,000	\$ 100,000
Columbia Pkwy: Celestial - Bains	\$ 800,000	\$ -0-
Queen City Ave – White/Wyoming	\$ 1,000,000	\$ -0-
Columbia Parkway Enhancements	\$ 460,000	\$ -0-
River Road Phase 2	\$ 1,000,000	\$ -0-
Central Ave – 3 rd to 7 th Street	\$ -0-	\$ 1,500,000
Red Bank – Fair Lane	\$ 275,000	\$ -0-

For the biennium, the project allocations for the major annual infrastructure programs such as Bridge Rehabilitation, Wall Stabilization and Landslide Correction, Hillside Stairway Rehabilitation, and Sidewalk Repair total \$4.2 million (\$2.2 million in 2003 and \$2.0 million in 2004) and \$16.7 million for the six-year plan. For the 2003/2004 biennium, funding totaling \$450,000 in 2003 and \$800,000 in 2004 for the Sidewalk Repair Program is included from the Sidewalk Assessment Fund (791). Funding totaling \$3.2 million for the balance of the six-year plan (2005-2008) is included in the General Capital Budget for the Sidewalk Repair Program. See page 31 of the Enterprise Fund section of this overview for more information on the Sidewalk Repair Program.

The projects for the Infrastructure (Smale Commission) category include various facility renovation programs and projects for general government buildings, the Department of Health, the Department of Parks, and the Department of Recreation. For the 2003/2004 biennium, General Capital Budget facility renovation programs and projects total \$31.1 million (\$11.4 million in 2003 and \$19.7 million in 2004). The 2003-2008 Capital Investment Plan total is \$79.3 million. A total of \$4.2 million (\$2.1 million in both 2003 and 2004) is included in the biennium for the City Facility Renovations project. This project provides funding for upgrades and renovations for City buildings. The Department of General Services estimated in a 1996 report to the City Council that \$45.4 million in improvements and renovations would be necessary from 1997-2006 to have general government buildings and facilities upgraded and renovated to acceptable standards. With the project allocations in the 2003-2008 Capital Investment Program, along with prior year Capital and Operating Budget allocations, the commitment to the \$45.4 million City buildings renovation plan should be completed at the end of 2007. An amount of \$21.7 million (\$6.7 million in 2003 and \$15.0 million in 2004) and \$41.1 million over the six-year period is included for renovations and improvements to Recreation and Park indoor and outdoor facilities, and Health Department facilities. These projects also include Americans with Disabilities Act (ADA) facility improvements.

New Infrastructure

This expenditure category was added during the development of the 1997/1998 Biennial General Capital Budget to distinguish between new capital improvements and the Infrastructure (Smale Commission) expenditure category, which includes only the

renovation and replacement of existing City assets. For the 2003/2004 Biennial General Capital Budget, projects included in the New Infrastructure category total \$17.0 million (\$10.2 million in 2003 and \$6.8 million in 2004). The six-year plan total is \$18.8 million. Of these biennial and six-year totals, \$300,000 is from Anthem demutualization proceeds. This category represents 8.7% of the total General Capital Budget biennial recommendation and 4.3% of the six-year Capital Investment Program.

A total of \$250,000 is included for 2003 to continue the funding support for environmental and design costs associated with the development of the Central Riverfront Park. A total of \$750,000 is included in 2003 to cover the site preparation costs for the new Mt. Washington Recreation Center. The balance of the funding needed to complete the new center, \$4,750,000, is included in 2004. The Kennedy Connector – Phase I project (\$300,000 in 2003) provides funding for the design of a new street that would connect the intersection of Duck Creek Road and Kennedy Avenue with Ridge Avenue. Estimated property acquisition and construction costs range from \$10 to \$15 million. Funding for this project in 2003 is from Anthem demutualization proceeds.

A total of \$2.6 million (\$1.2 million in 2003 and \$1.4 million in 2004) is included in the six-year plan for the Riverfront Utilities project. This project provides funding for the City's portion of relocating existing utility lines and installing new utility infrastructure as part of the Central Riverfront Street Grid project. In addition to the commitment for the utilities portion of the Central Riverfront Street Grid, a total of \$6.0 million is included in 2003 for the Riverfront Street Grid Repayment project. This allocation repays the Central Riverfront Street Grid project for an advance that was made to assist with the financing of the Fort Washington Way decks.

The projects within the New Infrastructure category include \$750,000 in 2003 for the Riverfront Pedestrian Access project. This project involves the construction of a new connector bridge from the existing Atrium I and Atrium II plaza to new stairs constructed on City property for access to Third Street. A total of \$500,000 (\$250,000 in both 2003 and 2004) is included for the Sixth Street Intermodal Center project. This project involves the development of a new multi-modal (truck, rail, barge) facility on a vacant 20-acre site along the Ohio River at State Avenue and River Road.

Funding for the development of two major bicycle trail projects is included in the 2003/2004 Biennial General Capital Budget. The Ohio River Trail Salem-to-Downtown project (\$100,000 in both 2003 and 2004, \$800,000 for the six-year plan) involves the design and construction of a hike/bike trail from Salem Road to downtown. The second major bicycle trail project, the Ohio River Trail Corbin-to-Stanley (\$300,000 in 2003) would provide funding to assist with the construction of a one-mile trail along the Ohio River in the East End neighborhood.

Funding for the Neighborhood Gateways (\$75,000 in both 2003 and 2004, \$350,000 for the six-year plan), the CBD Gateways/Greenways (\$100,000 in 2003 and 2004, \$600,000 for the six-year plan), and the CBD Pedestrian and Parking Lot Signage project (\$50,000 in 2003 and 2004, \$200,000 for the six-year plan) is included in the New Infrastructure

category. The Neighborhood Gateways and CBD Gateways/Greenways projects provide funding for the design, construction, and installation of landscaped traffic islands. The CBD Pedestrian and Parking Lot Signage project involves the installation of way-finding graphics for the Central Business District.

ENTERPRISE FUND EXPENDITURES

The resources for enterprise fund capital projects come primarily from fees and charges. After operating and maintenance costs, current debt service, and reserve requirements are covered, the remaining available funds are used for capital purposes. Fund forecast information, including projected fund balance information, may be found in the 2003/2004 Operating Budget document. As shown in Exhibit 1, page 7, the Enterprise Funds Capital Budget totals \$136.2 million in 2003 and \$146.4 million in 2004.

Water Works

Cincinnati Water Works (CWW) provides service to the City of Cincinnati as well as customers of other communities in Hamilton, Warren and Butler Counties. CWW systems supply 41 billion gallons of water a year through 2,800 miles of water mains to 225,000 residential and commercial accounts representing more than 900,000 consumers within the service area.

The biennial capital funding is \$131.0 million (\$66.7 million in 2003 and \$64.3 million in 2004) for the biennium and \$361.5 million for the six-year plan. Highlights in the biennial budget include \$4.8 million (\$2.4 million in both 2003 and 2004) for water main expansion projects, \$58.7 million (\$29.6 million in 2003 and \$29.1 million in 2004) for new water mains and the replacement of existing water mains, and \$20.6 million (\$11.0 million in 2003 and \$9.6 million in 2004) for treatment and pump station improvements. Also included in the biennial Water Works Capital Budget is \$13.3 million (\$8.0 million in 2003 and \$5.3 million in 2004) for new service to the City of Mason.

Parking System Facilities

The Division of Parking Facilities operates and maintains 11 parking garages and lots. Parking Facilities manages 6,400 on-street and 4,800 off-street parking spaces. The biennial budget for Parking Facilities capital projects is \$12.6 million (\$1.1 million in 2003 and \$11.5 million in 2004). For the six-year Capital Investment Program, the total is \$18.2 million. The 2004 budget includes \$10.0 million for the construction of new parking facility on Seventh Street. This garage, which would be the second new garage on Seventh Street (a new 400 space garage is currently under construction at the corner of Seventh Street and Broadway), would be supported by Parking System revenue bonds. Debt service would be paid from current fund balance and new garage revenue. This

second garage would be built only if it is determined that the Parking Facilities Fund can support the debt service payments. An analysis will be completed in 2003.

A total of \$925,000 is included in the biennium (\$225,000 in 2003 and \$700,000 in 2004) and \$5.1 million over the six-year plan for structural maintenance, repair and renovation projects. The Equipment Replacement project totals \$100,000 for 2003 and \$725,000 for the six-year plan. A total of \$565,000 is included in the biennium (\$165,000 in 2003 and \$400,000 for 2004), with \$1.1 million included in the six-year plan, for the Parking Revenue Control Enhancements project. This project upgrades the current revenue control equipment at the City's parking facilities. A total of \$975,000 for the biennium (\$600,000 in 2003 and \$375,000 in 2004) and \$1.2 million for the six-year plan is included for the On-Street Meter Technology Improvements project. This project replaces mechanical parking meters, add new hand-held citation devices, and upgrade the revenue monitoring system.

General Aviation

The Division of General Aviation operates the Lunken Airport, which is a general aviation airport that serves both general aircraft and corporate flights. General Aviation also operates the Blue Ash Airport which serves small aircraft. The 2003/2004 Biennial Capital Budget for the General Aviation Fund is \$890,000 (\$430,000 in 2003 and \$460,000 in 2004). The six-year plan total is \$2.8 million.

Projects for the 2003/2004 biennium include \$200,000 (\$100,000 in both 2003 and 2004) and \$850,000 over the six-year plan for the City's local match of anticipated Federal Aviation Administration (FAA) funding. The General Aviation Fund Capital Budget also includes a \$50,000 in each year of the biennium for the Noise Monitoring and Abatement project. This project provides funding for the development of a noise monitoring and abatement program for Lunken Airport.

A total of \$160,000 is included in the 2003/2004 Biennial General Aviation Capital Budget (\$115,000 in 2003 and \$45,000 in 2004) and \$640,000 for the six-year plan for the Lunken Administration and City Building project. This project provides funding for HVAC, plumbing, electrical and roofing improvements at the Lunken Administration Building, the maintenance shop, and City owned hangars. The Lunken Field Improvements project is included for \$90,000 in the biennium (\$40,000 in 2003 and \$50,000 in 2004) and \$280,000 over the six-year plan. Runway paving, painting, signage and rubber removal would be funded from this project. The Airport Road Improvements project (\$25,000 in both 2003 and 2004, \$220,000 for six-year plan) includes improvements to roads within the airport property. A total of \$200,000 for the biennium (\$100,000 in both 2003 and 2004) and \$475,000 over the six-year plan is included for the Parking Lot Expansion/Improvement project. This project expands the parking lot located on Wilmer Road by 450 spaces. The Airport Security Improvements project is included for \$45,000 in 2004 to provide funding for fencing, gates and access control equipment. The Lunken ATCT Improvements project is included for \$45,000 in 2004 and \$90,000

for the six-year plan. This project includes HVAC improvements at the Lunken Airport Air Traffic Control Tower.

A total of \$50,000 is included in 2003 from the Blue Ash Airport Fund (360) to support two capital improvement projects. A total of \$25,000 is included for the Blue Ash Airport Facilities Improvements project. This project funds building renovations to the fixed base operator facility at the Blue Ash Airport. The Blue Ash Airfield Improvements project (\$25,000 in 2003) provides funds for improvements to the fixed base operator ramp.

Stormwater Management Utility

The Stormwater Management Utility is managed by the City's Department of Sewers. The Stormwater Management Utility is responsible for the administration, repair and maintenance of the stormwater collection system in the City of Cincinnati. Service charges are based on area size and property use and on an Equivalent Runoff Unit rate which is set by the City Council. For the 2003/2004 Capital Budget, a total of \$2.9 million is included for Stormwater Management capital projects in the biennium (\$1.1 million in 2003 and \$1.8 million in 2004). The six-year plan amount is \$5.7 million.

A total of \$350,000 is included in 2003 for the installation of storm sewers for the Kirby Road project. This project, in conjunction with the Department of Transportation and Engineering, involves the installation of storm sewers and street improvements. Transportation and Engineering has included \$1.0 million in the department's 2003 Capital Budget for the street and road improvement work. The design and engineering phase of this project is underway. Construction is scheduled to begin in late 2003.

A total of \$100,000 in both 2003 and 2004 and \$600,000 over the six-year plan is included for the Barrier Dam Miscellaneous Projects to provide funding for various structural improvements at the Barrier Dam. The Ammon Avenue Drainage Improvement project (\$184,000 in 2003) involves the installation of 200 feet of storm sewer on Ammon Avenue between Colerain Avenue and Hays Avenue. The Hillside Avenue Drainage Improvements project (\$200,000 in 2003) provides funding for the installation of a concrete ditch, curbs, a retaining wall, and storm sewer pipe along Hillside Avenue in the Riverside neighborhood.

The California Area Sewers – Phase II (\$250,000 in 2003) is a continuation of a project that includes the installation of pipe, inlets and headwalls along Kenwood Road in the California neighborhood. A total of approximately \$3.2 million (\$971,000 in 2004, \$1.0 million in 2005, and \$1.2 million in 2006) is included for the Drainage Corrections and Improvements project. This project includes funding for various drainage improvement projects in order to mitigate future flood problems. Site specific sub-projects for 2004 would be established and reviewed prior to the actual allocation of funds. The Duck Creek Flood Protection project is included for \$385,000 in 2004 and \$295,000 in 2005 to support the on-going flood control project in conjunction with the Army Corp of Engineers and the Village of Fairfax. The Barrier Dam Rewind of Electrical Motors

project is included for \$300,000 in 2004. This project involves the rewind of the electrical motors on the six original pumps at Barrier Dam.

Telecommunications Services Fund Projects

A biennial total of \$75,000 (\$45,000 in 2003, \$30,000 in 2004), and \$195,000 for the six-year plan is included for two Telecommunications Services Fund (336) capital projects. The Radio Communications Equipment project (\$30,000 in both 2003 and 2004) and \$180,000 over the six-year plan, funds the replacement of service equipment needed to maintain the radio communications equipment. A total of \$15,000 for the Civil Defense Sirens Controller Update provides upgrades for five controllers used to activate the civil defense sirens.

Cable Communications Fund Projects

A biennial total of \$3.0 (\$1.7 million in 2003 and \$1.3 million in 2004) and \$5.1 million for the six-year plan is included for projects funded from the Cable Communications Fund. A total of \$375,000 is included in 2003 for the CHRIS Upgrade project. Funding for this project would be used to assist with the upgrade of the City's human resources system from the current PeopleSoft 7.5 version to a web-based 8.0 version. The Electronic Document Management project (\$20,000 in 2004) would increase the storage capacity for the retention of building permit, complaint tracking, and code enforcement records. A total of \$200,000 for the biennium (\$100,000 in both 2003 and 2004) and \$400,000 for the six-year plan is included for the Telephone System Upgrade and Replacement project. This project provides replacements and upgrades for several City telephone systems that serve the Communications Technology Section, the Police Data Section, the 911 Dispatching back-up site and the Regional Computer Center. The Desktop Asset Management project, included for \$270,000 in the biennium (\$180,000 in 2003 and \$90,000 in 2004) and \$470,000 over the six-year plan, provides City employees with the capability of automatically verifying software upgrades, repairing damaged software, and assisting with the integration of software compatibility.

A total of \$380,000 is included in the 2003/2004 Biennial General Capital Budget (\$190,000 in both 2003 and 2004) and \$780,000 for the six-year plan for the Metropolitan Area Network Enhancements projects. Funds will be used to implement new network security policies, provide secure access for the City's business partners, and implement changes to the City Hall computer room that were recommended by the State Auditor. The Electronic Government project (\$420,000 in 2003, \$465,000 in 2004, and \$1.8 million for the six-year plan) funds the development of a comprehensive, first-class web-site for the City. The CFS Client Server project (\$407,500 in 2003, \$380,000 in 2004 and \$1.0 million for the six-year plan) funds required software and hardware upgrades for the client/server parallel processor platform.

Sewers Department

The Sewers Department operates the Metropolitan Sewer District (MSD) which is a multi-jurisdictional wastewater and collection treatment system that is managed by the City of Cincinnati for Hamilton County pursuant to an agreement made in 1968. For the 2003/2004 Biennial Capital Budget, the capital projects recommended to the Hamilton County Board of Commissioners total \$130.7 million (\$64.5 million in 2003 and \$66.2 million in 2004). The six-year total is \$361.5 million.

For the 2003/2004 Biennial Capital Budget, a total of \$2.1 million (\$1.1 million in 2003 and \$1.0 million in 2004) is included for Combined Sewer Overflow projects. A total of \$27.5 million in the biennium (\$18.3 million in 2003 and \$9.2 million in 2004) is included for Sanitary Sewer Overflow projects. The Biennial Capital Budget total for Water in Basement projects is \$193,800, with \$28,200 in 2003 and \$165,600 included for 2004.

A biennial total of \$45.8 million (\$20.3 million in 2003 and \$25.5 million in 2004) is included for Treatment Plant projects. For Sanitary Sewer Improvement projects, the biennial total is \$32.3 million (\$14.4 million in 2003 and \$17.9 million in 2004). Long Range Planning/QUEST projects total \$17.8 million (\$8.0 million in 2003 and \$9.8 million in 2004). A total of \$5.0 million (\$2.5 million in both 2003 and 2004) is included for Assessment projects.

Income Tax Transit Fund Projects

A total of \$200,000 is included in the 2003/2004 Biennial Capital Budget (\$100,000 in both 2003 and 2004) for the Transit/Rail Corridor Preservation Acquisition project. The six-year plan total is \$600,000. This project provides funding for the acquisition of property, planning, environmental, and consultant services related to the preservation and reuse of existing railroad corridors.

Sidewalk Assessment Fund

A total of \$450,000 in 2003 and \$800,000 in 2004 is included for the Sidewalk Repair Program from the Sidewalk Assessment Fund (791). Funding will be used to make sidewalk repairs to City-owned property. Traditionally, sidewalk repairs to City-owned property have been funded from General Capital Budget resources, with the Sidewalk Assessment Fund utilized to make repairs to private property through loans to property owners or through tax assessments. Funding for City-owned property for 2003 and 2004 is based on the current balance of approximately \$1.9 million in the Sidewalk Assessment Fund, which is sufficient enough to cover City and private property for 2003 and 2004. The General Capital Budget includes a \$800,000 each year from 2005 through 2008 for the Sidewalk Repair Program for City-owned property.

SPECIAL REVENUE FUNDS

The total for the Special Housing Permanent Improvement Fund (SHPIF) is \$1.5 million in both 2003 and 2004. This fund, which is supported from net rental income and tax increment payments, provides revenue for the New Housing Program administered by the Department of Neighborhood Services. This program supports the development of new market-rate housing in the city.

FEDERAL and STATE CAPITAL GRANTS

The City receives federal grants, matching funds and also manages state and county funds to improve the City's roads and bridges. The General Aviation Division of the Department of General Services typically receives funding from the Federal Aviation Administration (FAA). The amount of funds granted by the FAA varies from year to year. Once grants are received, the resulting projects are budgeted and matching City funds will be recommended to the City Council for approval. As shown in Exhibit 1, page 7, Federal and State Capital Grants total \$8.5 million in 2003 and \$13.6 million in 2004.

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